

PUBLIC HEARING BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON FINANCE AND REVENUE

Good Morning Chairman Evans and committee members. My name is Anthony Pompa, Deputy Chief Financial Officer for the Office of Financial Operations and Systems (OFOS).

As we move forward during the remainder of Fiscal Year 2000 and into Fiscal Year 2001, OFOS will concentrate on assessing its overall position in the CFO financial management structure by: (1) Refining the System of Accounting and Reporting (SOAR) to reflect the District's business model, (2) Restructuring of accounting operations to provide better support to agencies, (3) Redefining and realigning the duties of central accounting personnel and (4) Revisiting accounting policies and procedures. We must quickly make the necessary corrections while remaining focused on daily operations, which support sound fiscal principles. This means we will work from a "lessons learned" approach and be careful not to "fix" things that are not broken.

At the previous hearing on February 25th, I stated that we had successes but still faced challenges. For example, we will continue to proceed with the conversion of agencies from the legacy Uniform Personnel and Payroll System (UPPS) to the Comprehensive Automated Personnel and Payroll System (CAPPS). The new timetable started on January 1, 2000 with the commissioning of an independent analysis to assess the status of the system, and to compile lessons learned from the D.C. Public School implementation. Through the accurate interpretation and programming of business rules, with BSA contractors and District employees, followed by parallel testing and subsequent implementation, CAPPS will be in all agencies by December 15, 2000.

We will continue working with the US Treasury to provide support to annuitants and participate in a conference pilot for implementation of a new retirement payroll system. The Internal Control Unit has compiled an annual audit plan to conduct performance audits and internal control reviews. An integral companion to this, is the placing of renewed emphasis on correcting internal control weaknesses and management letter comments identified during the Fiscal Year 1999 audit. However, we must move to a point that such weaknesses and corrective actions are identified prior to the independent audit. This is management's responsibility. The auditors should validate issues and actions previously taken by management, if management is proactive in these areas. In financial reporting, we are committed to providing complete quarterly financial statements and monthly "flash" reports featuring key financial indicators of the District. District leaders at all levels would benefit from this information and OFOS must provide it.

During the previous testimony, I stated that OFOS consists of several component units: Administration, Internal Control, Accounting Operations, Pay and Retirement Services, Accounting Policies and Procedures, Financial Reporting, Financial and Technical

Services and the System of Accounting and Reporting (SOAR) Program Office. Without going into specific details for each unit as I did on February 25th, the major organizational change for OFOS is the transitioning of SOAR Program Office functions to the Office of the Chief Information Office (OCIO). Additionally, there will be some changes in OFOS' structure, involving Accounting Operations, Policies and Procedures, and Financial Reporting.

Our Fiscal Year 2001 budget provides a reduction of 13 FTEs from the SOAR and CAPPS Program Offices, which places OFOS at 145 FTE authorization for the new fiscal year. More than half of these FTEs, (80) support the Office of Pay and Retirement Services (OPRS), which provide a multitude of services throughout the District to independent agencies within and outside the District Government. Operating budget (local, intra-District, other) is \$8.5 million. In our area, the budget is tight, and we will have to use resources wisely.

In closing, as I have stated before, and at the previous budget hearing, this office still faces challenges, but is poised for many successes. Again, through sound leadership coupled with the efforts of dedicated employees, up-to-date systems, sound policies and procedures and the teamwork within the Office of the Chief Financial Officer, these challenges will be successfully met. Thank you.

Public Hearing on Fiscal Year 2001 Budget

**before
The Committee on Finance and Revenue
Jack Evans, Chair
Council of the District of Columbia**

**Testimony of Anthony F. Pompa
The Office of Financial Operations and Systems**

**Valerie Holt, Chief Financial Officer
District of Columbia**

**Friday, February 25, 2000
10:00 A.M.
Council Chambers**